

Hotel management companies: Finding the perfect match

 By [Guy Stehlik](#)

5 May 2017

As much as people 'do business' with like-minded people, businesses 'do business' with like-minded businesses. There certainly needs to be some sort of a match.



©iStock

Whether buying or building a hotel, the decision to involve a hotel management company is a big one. In fact, if the project is funded by a major financial institution, this requirement is obligatory. But finding this 'match' is where things can go wrong, as legacy relationships between financial institutions and the big management companies can interfere with making the right choice. Hotel consultants performing operator selection could be biased to management companies who are rewarding them handsomely, and because of this bias, don't always act in the best interest of the business. The result? A mismatch between hotel and management company.

Yes, big international players are suited to five-star city hotels; their strongest market is often their international inbound travellers, so the match is substantiated. As for the rest of the hotel and resorts out there, however, I'll be brazen here and claim that regional players should be the choice for the best match.

The cost of marrying your business with an international brand

The cost of marrying your business with an international brand can be severe. Big hotel brands have less flexibility than regional players and their rules of engagement insist on international standards. Costs of adhering to these standards can be twice as high, as their systems, operating procedures and brand requirements drive profit margins to the brink.

Managers are left with systems that are onerous, or with unnecessary software coming at a not-so-small fee. Generic, prescribed menus are dictated, leaving owners' hands tied as to supporting local. Wine lists, for instance, are decided at head office level, leaving an owner with no choice but to potentially ostracise his community.

Clauses often bind owners into additional costs on things that may very well be a norm internationally, but may not be a necessity by South African standards. We see hotel owners being forced into procuring supplies from suppliers whose pricing structures are not always levelled in the best interest of that particular hotel business. We see hotel owners having to spend millions to conform to international safety and fire standards which are well above their legislated norms here in South Africa, one may argue.

Regional vs international

Of course, the age-old debate of regional vs international management companies should come down to one calculation: who can put bums in beds? To be successful at this, a hotelier must know the market, and more importantly, must be able to not only serve but build relationships within these markets that will be servicing the hotel.

If you are dealing with a regional operator, you are dealing directly with a locally experienced management team. I urge hotel owners to think carefully when choosing operators for a local mid-market hotel, understanding that there is such a thing as a perfect match.

ABOUT GUY STEHLIK

Guy Stehlik is the CEO and founder of BON Hotels and Director of BON Hotels International West Africa. Having vast experience in all aspects of Hotel Management as well as having owned his own hotels, Guy created BON Hotels as an "owner-staff-community-guest" centric company to herald in and define an exciting new era in hotel management.

- The great "aparthotel" deception: Why it matters and what you need to know - 7 Nov 2023
- Solving SA's hospitality skills shortage: Service is the key to resolution - 17 Aug 2023
- Harnessing tech to stay ahead of the game - 11 Oct 2022
- The way to success for your hotel? Own the relationship with your client - 22 Aug 2022
- The rise - and joy - of purposeful travel - 9 Jun 2022

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>